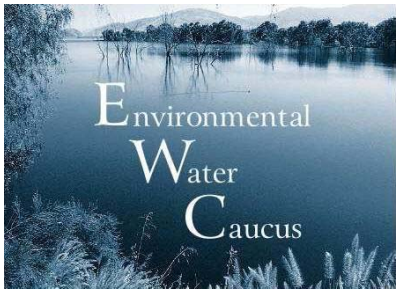


Mr. Phil Isenberg
Chair, Delta Stewardship Council
980 Ninth St. Suite 1500
Sacramento, California 95814

Re: Response from Environmental Water Caucus to letters from California Farm Bureau (9-29-10) and SFCWA (9-22-10)

Via Email – October 20, 2010

Dear Mr. Isenberg and Council Members:

We have reviewed the letters mentioned above and feel a response is required to clarify our position and to respond to several claims made by both organizations. First of all, it is our goal to bring value to the process of the DSC, and to help the council achieve your mandate. We represent member groups and tribes whose interest lies in restoration of the Delta ecosystem and its fisheries. We make no apologies for those interests. We also recognize that there are others whose interests are focused on water supply only, and mention of ecosystem restoration comes only as a necessary means to an end. This is a difficult climate in which to strike a balanced strategy for both Delta restoration and water supply reliability. We recognize that both the Farm Bureau and SFCWA do not share our sense that the Delta ecosystem has born more than its share of the water load in past years. We also recognize that if a balanced agreement is to be achieved we all must come together for the benefit of our interests and California. Hence, we provide our thoughts and input.

Delta Exports and Retirement of Farmlands

We realize these are "hot topics" for both groups who have written letters opposing the EWC recommendation of forming a workgroup to further evaluate and clarify our recommendations. Nearly every report done on the Delta, from PPIC to the State Water Resources Control Board's flow criteria identifies export reductions and increased natural flow through the Delta as one of the primary actions to recover the Delta ecosystem and public trust resources. We can argue over terminology here, but high exports are a primary stressor. Certainly, this is not a "one cause" problem, but export reductions are necessary along with reductions in toxic inflows, invasive species management and others. To intimate that exports are not a problem simply is inconsistent with science.

Salt and toxin laced drainage from lands in the San Joaquin valley have long been identified as problematic, both for the local environment in the valley, as well as for the Delta. For many years

drainage impaired water has moved from west side San Joaquin lands (San Luis unit of BOR) toward the Delta and San Joaquin River ("The major cause of water quality problems in the San Joaquin River is considered to be the discharge of agricultural return flows." - 1985 Kesterson cleanup order, WQ 85-1, pp. 53-54.). Though much has been done to reduce the problem over the past several years, the issue remains a problem, and toxic inflow to the San Joaquin River continues. In a September 1, 2010 letter from the Bureau of Reclamation to Senator Feinstein, the Bureau discusses the permanent retirement of 200,000 acres of land within Westlands due to toxic load, and with it the reduction of approximately 200,000 acre feet of water under their water service contract.

The SFCWA letter mentions that they have been within state water quality requirements for over 10 years, but they fail to mention that is because they have had a waiver from the local state water board for a waste discharge permit. In fact, the drainage water does not meet state requirements, and they have been given years to correct it, but have not done so. They are now asking for another 10 year waiver on the discharge permit. For the west side San Joaquin we are not talking about small amounts of salt and toxins. We mean generic salts like sodium and chlorides, as well as the really nasty trace elements like selenium and mercury. How about 17 railroad cars a day, each capable of carrying 100 tons of salt, according to a U.S. Geological Survey report (http://pubs.usgs.gov/pp/p1646/pdf/pp1646.pdf - at page 106).

Simply, we do not blame west side agriculture for the salt and toxins. It's in the land. We do feel it is time to remove the water that irrigates these lands, thus stopping the drainage problem, and toxic inflow to the San Joaquin River and Delta. It is a win-win solution. Reduced toxins and salt into the Delta system, and return of water to California for other uses has huge benefits. The land can be productive for other uses, like the renewable solar electrical production now being done on the west side. It is not the end of the world.

Water conservation, efficiency, reclamation and conjunctive use

Our recommendations certainly are not agricultural centric as claimed. We recommend a more aggressive urban conservation goal than the Governor's 20% by 2020. Under a high efficiency scenario, urban demand could be reduced by 5 million acre feet by 2030 (Pacific Institute, 2005, California Water 2030: An Efficient Future, pg. 34). We recommend changes in urban water rate structures that penalize excessive use and reward low water usage. Recycling of water, mostly in urban areas, including urban wastewater, gray water and storm water. This can result in an additional 2 million acre feet of water per year by 2030. Additionally, because agriculture uses the majority of managed water in the state, we feel that continued movement toward conservation is critical to meeting the water needs of California. There are several estimates on how much could be expected from agricultural conservation, ranging from a low of 600,000 acre feet to several million. Certainly, the agricultural community needs to participate in an aggressive way, and has a responsibility to do so.

We want to thank the Council for the fine presentation by Joe Grindstaff on the actions taken by Australia in response to their long drought. The many strategies they undertook and implemented, which moved the country to a new water management process are enlightening. What it tells us all is that if the need is unavoidable, and the people are willing, huge water savings can be achieved through the exact strategies we are recommending. The difference between California and Australia is a long term drought of 10 years or more. That said, what we know from data on droughts in California is that the state has experienced similar conditions to that in Australia in the

past. Climate change predictions for the West are for lower precipitation, hotter summers, and less water in most years. It seems appropriate for the Council to "take seriously" the need for conservation and efficiency strategies today, before we find ourselves in an emergency. We do not think that past evaluations have been strident enough in looking at conservation and water efficiency, and thus have not provided the real benefits possible from the many methods that are available.

There is no doubt that many of our recommended actions are strong, and require a change of mind-set by many water managers and users. Scientists have confirmed that California's water resources have been over allocated . Fortunately there are many things that can be done to maintain adequate water supplies for farms, fish and cities. This is consistent with the growing realization of over allocation as reflected in current discussions such as the *Roundtable Workshop on Ensuring Reliability and Sustainability for California's Water Supply: "Putting on Your Own Oxygen Mask First"* sponsored by the California Foundation on the Environment and the Economy (CFEE). The EWC Report provides a framework to achieve this equable distribution of our water resources.

Infrastructure – Dams and Alternate Conveyance System

It is our sense that currently, if our recommendations are implemented that new surface storage is not necessary. The two new facilities being evaluated will cost at least $4.5 billion and provide less than 450,000 acre feet of water if they were full all the time, which they won't be. There is enough under ground storage available (conjunctive use) to hold that much from wet year run-off at little cost to tax payers. Additionally, it will take much less money to incentivize the public on conservation and efficiency, and provide much more water in return. Also of importance, any water that flows into these new reservoirs must come from existing rivers, which are already over-drawn today. It is easy to say that we'll fill them only in excessively wet years, but that has not been the history for any reservoir in history. It is more likely that DWR or the BOR will work to put as much water in them as possible in all years, not only wet ones. Hence, it would be a negative impact on the Delta environment, as well as for anadromous fisheries, already on the verge of extinction.

As to a new conveyance system, we feel that current plans are not necessary if diversion reduction targets are met. If the State Water Board's flow criteria, which must be part of the considerations of the Council, are met, through-Delta conveyance is possible without a new facility. It is certainly likely the Delta can be recovered if diversions are in the 3 million acre foot area, as the flow criteria prescribes. Protection against seismic risk and sea level rise are still an on-going discussion. That said, a 15,000 cfs diversion facility would be ecologically harmful, very costly, and is not necessary. We see this as a Trojan horse for increasing water diversions from the system, not reducing them. We also see it as harmful to anadromous fish out-migrating from the system, and problematic for maintaining temperature standards in the upper river for spawning in the fall.

EWC Prospective and Summary

It is not our intention to say that our report, *California Water Solutions NOW*, is a final product. That is why we asked the Council to form a workgroup to further discuss and flesh-out the best strategies and procedures for the future. Our goal was to provide a way forward to achieve the flow criteria of the State Water Board, and also achieve the water system reliability we all want. We recognize this has to be a group effort, and as such, we would like the workgroup to be made up of all interest groups – water users, environmental groups, government agencies, independent outside authorities, academic thinkers, and the public. For once, we'd like to have an open and thoughtful

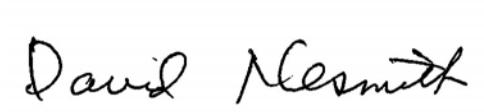
dialogue on how we can actually achieve a balanced outcome without further damaging the Delta environment.

We feel strongly that the EWC report provides the framework to have this dialogue. We also recognize that California has been managing water for more than 100 years in one way – dam, divert, plumb and pump. As such, there is significant economic and cultural inertia for any alteration to the status quo. However, it is time to recognize that California has grown from a few million to now 37 million with the same water system, and that system is now causing an over-taxed and suffering Delta watershed. It is seen in the environmental impacts to fisheries and other aquatic and terrestrial life. Species are near extinction! Economies and families dependant upon these fisheries are suffering. Communities dependant upon them are suffering. Iconic and historic fish species are no longer available to citizens. More of the same is not appropriate!

We hope the Council will see push back by some as normal, and that resistance to change is to be expected. I'm reminded of the resistance of the auto industry to seat belts, rear view mirrors and other safety changes. All were going to cause the industry to fall apart due to costs. Well, it survived, and EWC feels that we'll all survive this too, but we have to shift the way we operate. Away from dams, ditches and pumps, to water efficiency, conservation, reclamation and other meaningful strategies that allow us to maintain our economic and social lifestyle while living with a balanced and fixed water supply. Let's not forget, the hundreds of dams and canals we currently have will continue to exist. We simply don't agree that more is required to meet the legislative mandate the Council is tasked to achieve.

We want to be helpful in the process, invite all to participate, and we know that working together we can achieve great outcomes. Fighting each other and rejecting the full range of alternatives will not lead to a balanced water policy, or the long term solution required.

Sincerely,



David Nesmith
EWC Coordinator

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